

this country around if we'll check our divisions at the door, rely on what unites us, and go to work.

Thank you very much, and God bless you.

Now, before I go, I want to introduce the man who is affectionately called the drug czar. It makes him sound like he sells drugs instead of stops them, doesn't it? *[Laughter]* Dr. Lee Brown grew up in California. As I said, he was the police chief in Atlanta, Houston, and New York. He instituted a program of community policing in New York City, where the police went back on the beat, started walking in the neighborhoods. And despite all the preconceptions, according to the FBI statistics in the last 2 years the crime rate in New York City went down in all seven major FBI categories, because they started giving the police force back to the neighborhoods and the people and working with friends and neighbors to try to stop bad things from happening and catch people who do them when they do. That is a remarkable thing.

I asked him to come onto my administration, and I pledged to him that I would make the Drug Policy Director a member of the President's Cabinet and that we would get every last department of the Federal Government working on the drug problem because I thought he had a comprehensive view. I thought he understood how you can't just divide drugs from all these other issues, that we had to deal with all this together, we had to start at the grassroots level, and that we could really get something done if we had creative, good people working hard. He's a remarkable man. I am deeply honored that he's in our Cabinet. I hope you will welcome him here today and stay here and participate. Remember, you've got to do your part, too. He's here to help you.

Thank you very much. Dr. Lee Brown.

NOTE: The President spoke at 1:20 p.m. at the Olivet Baptist Church. In his remarks, he referred to Kenneth Twigg Whalum, pastor of the church.

Letter to Congressional Leaders on Haiti *November 13, 1993*

Dear Mr. Speaker: (Dear Mr. President:)

1. In December 1990, the Haitian people elected Jean-Bertrand Aristide as their President by an overwhelming margin in a free and fair election. The United States praised Haiti's success in peacefully implementing its democratic constitutional system and provided significant political and economic support to the new government. The Haitian military abruptly interrupted the consolidation of Haiti's new democracy when in September 1991, it illegally and violently ousted President Aristide from office and drove him into exile.

2. The United States, on its own and with the Organization of American States (OAS), immediately imposed sanctions against the illegal regime. The United States has also actively supported the efforts of the OAS and the United Nations to restore democracy to Haiti and bring about President Aristide's return by facilitating negotiations between the Haitian parties. The United States and the international community also offered material assistance within the context of an eventual negotiated settlement of the

Haitian crisis to support the return to democracy, build constitutional structures, and foster economic well-being.

3. My last report detailed asset freezes and entry prohibitions that I ordered be imposed against individuals associated with the illegal regime on June 4. That report also described the imposition of mandatory oil, arms, and financial sanctions by the United Nations Security Council on June 23 and the tightening of the OAS trade embargo in the same period.

4. Since those events my Administration has intensively supported the negotiating process, using the international community's determination as expressed in the sanctions to bring about the restoration of democracy and return of President Aristide. Our efforts bore fruit in the July 3 Governors Island Agreement between President Aristide and Haitian military Commander in Chief General Cedras. That agreement establishes a comprehensive framework for achievement of our policy objectives in Haiti. Progress in implementing its provisions permitted the suspension of the United Nations,

OAS, and our own targeted sanctions at the end of August.

5. However, as the date for fulfillment of the final terms of the Governors Island Agreement including the return of President Aristide neared, violence in Haiti increased and, on October 11, the Haitian military and police failed to maintain order necessary for the deployment of U.S. and other forces participating in the United Nations Mission in Haiti. This Haitian military intransigence led to the reimposition of U.N. and OAS sanctions on October 18. That same day, I ordered the reimposition of our targeted asset freeze and entry prohibition, the scope and reach of which were at the same time significantly enhanced.

6. This report details the measures we have instituted and enforced pursuant to the requirements of the International Emergency Economic Powers Act. Military refusal to honor obligations incurred in the Governors Island Agreement persists to this date. However, I remain committed to the restoration of democracy in Haiti and I am confident that the application of the measures described in this report will significantly buttress our efforts to achieve that outcome.

7. As noted in my previous report, on June 30, 1993, I issued Executive Order No. 12853 to implement in the United States petroleum, arms, and financial sanctions mandated by United Nations Security Council Resolution No. 841 of June 16, 1993. The order broadened U.S. authority to block all property of the *de facto* regime in Haiti that is in the United States or in the possession or control of U.S. persons, prohibiting transactions involving Haitian nationals providing substantial financial or material contributions to, or doing substantial business with, the *de facto* regime in Haiti. Executive Order No. 12853 also prohibited the sale or supply from the United States of petroleum, petroleum products, arms, or related materiel of all types. Finally, the order also prohibited the carriage on U.S.-registered vessels of petroleum or petroleum products, or arms and related materiel, with entry into, or with the intent to enter, the territory or territorial waters of Haiti.

Apparent steady progress toward achieving my firm goal of restoring democracy in Haiti permitted the United States and the world community to suspend economic sanctions against Haiti in August. With our strong support, the United

Nations Security Council adopted Resolution No. 861 on August 27, 1993, calling on Member States to suspend the petroleum, arms, and financial sanctions imposed under United Nations Security Council Resolution No. 841. Resolution No. 861 noted with approval the Governors Island Agreement signed in New York on July 3 between the President of the Republic of Haiti, Jean-Bertrand Aristide, and the Commander in Chief of the Armed Forces of Haiti, Lieutenant General Raoul Cedras. Similarly, the Secretary General of the OAS announced on August 27 that the OAS was urging Member States to suspend their trade embargoes.

As a result of these U.N. and OAS actions and the anticipated swearing-in of Prime Minister Robert Malval, the Department of the Treasury, in consultation with the Department of State, suspended U.S. trade and financial restrictions against Haiti, effective at 9:35 a.m. e.d.t. on August 31, 1993. The suspension permitted new trade transactions with Haiti and authorized new financial and other transactions involving property in which the Government of Haiti has an interest. Property of the Government of Haiti that was blocked before August 31 would be unblocked gradually and when requested by that government. However, property of blocked individuals of the *de facto* regime in Haiti was unblocked as of August 31, 1993.

The Haitian military betrayed its commitments, first by the acceleration of violence in Haiti that it sponsored or tolerated, and then on October 11 when armed "attaches," with military and police support, obstructed deployment to Haiti of U.S. military trainers and engineers as part of the United Nations Mission in Haiti. On October 13, 1993, the U.N. Security Council issued Resolution No. 873 that terminated the suspension of sanctions, effective October 18, 1993. Therefore, we have taken three steps to bring the sanctions to bear once again on those who are obstructing the restoration of democracy and return of President Aristide by blocking fulfillment of the Governors Island Agreement and implementation of the relevant U.N. Security Council resolutions.

First, effective at 11:59 p.m. e.d.t., October 18, 1993, I issued Executive Order No. 12872, authorizing the Department of the Treasury to block assets of persons who have: (1) contributed to the obstruction of U.N. resolutions 841 and 843, the Governors Island Agreement, or the activities of the United Nations Mission in

Haiti; (2) perpetuated or contributed to the violence in Haiti; or (3) materially or financially supported either the obstruction or the violence referred to above. This authority is in addition to the blocking authority provided for in the original sanctions and in Executive Order No. 12853 of June 30, 1993, and ensures adequate scope to reach U.S.-connected assets of senior military and police officials, civilian "attaches," and their financial patrons. A list of 41 such individuals was published on November 1, 1993, by the Office of Foreign Assets Control of the Department of the Treasury (58 *Fed. Reg.* 58482). A copy of the notice is attached.

Second, also effective at 11:59 p.m. e.d.t., October 18, 1993, the Department of the Treasury revoked the suspension of its sanctions, so that the full scope of prior prohibitions has been reinstated. The reinstated sanctions again prohibit most unlicensed trade with Haiti and block the assets of those entities and persons covered by the broadened authority granted in Executive Order No. 12853 of June 16, 1993. Restrictions on the entry into U.S. ports of vessels whose Haitian calls would violate U.S. or OAS sanctions if they had been made by U.S. persons are also reinstated.

Third, on October 18, I ordered the deployment of six U.S. Navy vessels off Haiti's shore to enforce strictly the U.N. sanctions and our regulations implementing the OAS embargo. Our ships have been, or will shortly be, joined by vessels from the navies of Canada, France, Argentina, the Netherlands, and the United Kingdom.

8. Economic sanctions against the *de facto* regime in Haiti were first imposed in October 1991. On October 4, 1991, in Executive Order No. 12775, President Bush declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States caused by events that had occurred in Haiti to disrupt the legitimate exercise of power by the democratically elected government of that country (56 *Fed. Reg.* 50641). In that order, the President ordered the immediate blocking of all property and interests in property of the Government of Haiti (including the Banque de la Republique d'Haiti) then or thereafter located in the United States or within the possession or control of a U.S. person, including its overseas branches. The Executive order also prohibited any direct or indirect payments or transfers to the *de facto* regime in

Haiti of funds or other financial or investment assets or credits by any U.S. person, including its overseas branches, or by any entity organized under the laws of Haiti and owned or controlled by a U.S. person.

Subsequently, on October 28, 1991, President Bush issued Executive Order No. 12779, adding trade sanctions against Haiti to the sanctions imposed on October 4 (56 *Fed. Reg.* 55975). This order prohibited exportation from the United States of goods, technology, and services and importation into the United States of Haitian-originated goods and services, after November 5, 1991, with certain limited exceptions. The order exempted trade in publications and other informational materials from the import, export, and payment prohibitions and permitted the exportation to Haiti of donations to relieve human suffering as well as commercial sales of five food commodities: rice, beans, sugar, wheat flour, and cooking oil. In order to permit the return to the United States of goods being prepared for U.S. customers by Haiti's substantial "assembly sector," the order also permitted, through December 5, 1991, the importation into the United States of goods assembled or processed in Haiti that contained parts or materials previously exported to Haiti from the United States. On February 5, 1992, it was announced that specific licenses could be applied for on a case-by-case basis by U.S. persons wishing to resume a pre-embargo import/export relationship with the assembly sector in Haiti.

9. The declaration of the national emergency on October 4, 1991, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on October 4, 1991, pursuant to section 204(b) of IEEPA (50 U.S.C. 1703(b)). The additional sanctions set forth in the Executive order of October 28, 1991, were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, and represent the response by the United States to Resolution MRE/RES. 2/91, adopted by the Ad Hoc Meeting of Ministers of Foreign Affairs of the OAS on October 8, 1991, which called on Member States to impose a trade embargo

on Haiti and to freeze Government of Haiti assets. The current report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c), and discusses Administration actions and expenses since the last report that are directly related to the national emergency with respect to Haiti declared in Executive Order No. 12775, as implemented pursuant to that order and Executive Order No. 12779.

10. Since my report of July 12, 1993, the Office of Foreign Assets Control of the Department of the Treasury (FAC), in consultation with the Department of State and other Federal agencies, has issued three amendments to the Haitian Transactions Regulations (the "Regulations"), 31 C.F.R. Part 580. First, as previously reported, on June 4, 1993, FAC issued General Notice No. 1 (Haiti), entitled "Notification of Specially Designated Nationals of the *de facto* Regime in Haiti." This Notice listed persons identified as (1) having seized power illegally from the democratically elected government of President Aristide on September 30, 1991; (2) being substantially owned or controlled by the *de facto* regime in Haiti; or (3) having, since 12:23 p.m. e.d.t., October 4, 1991, acted or purported to act directly or indirectly on behalf of the *de facto* regime in Haiti on under the asserted authority thereof. The effect of the Notice was (1) to block within the United States or within the possession or control of U.S. persons all property and interests in property of the blocked individuals and entities and (2) to prohibit transfers or payments to them by U.S. persons. The Regulations were amended on July 27, 1993, to incorporate as Appendix A the list of persons and entities identified in General Notice No. 1 (58 *Fed. Reg.* 40043). A copy of the amendment is attached to this report.

Second, consistent with United Nations Security Council Resolution No. 861 of August 27, 1993, and the August 27, 1993, announcement of the Secretary General of the OAS, the Regulations were amended on August 31, 1993, (58 *Fed. Reg.* 46540) to suspend sanctions against Haiti. A copy of the amendment is attached to this report. The amendment, new section 580.518, prospectively suspended trade restrictions against Haiti and authorized new financial and other transactions with the Government of Haiti. The effect of this amendment was to authorize transactions involving property interests of the Government of Haiti that came within the United States or within the possession or

control of U.S. persons after 9:35 a.m. e.d.t., August 31, 1993, or in which the interest of the Government of Haiti arose thereafter. Newly authorized transactions included, but were not limited to, otherwise lawful exportations and importations from Haiti, brokering transactions, and transfers of funds to the Government of Haiti for obligations due and payable after 9:35 a.m. e.d.t., August 31, 1993.

The amendment did not unblock property of the Government of Haiti that was blocked as of 9:35 a.m. e.d.t., August 31, 1993, nor did it affect enforcement actions involving prior violations of the Regulations, which would continue to be vigorously prosecuted. Blocked property of the Government of Haiti was to be unblocked by specific license on a case-by-case basis in consultations with that government. However, the amendment unblocked all blocked property of the Banque de l'Union Haitienne and of all individuals previously listed in Section I of Appendix A to the Regulations.

Third, as noted previously, consistent with United Nations Security Council Resolution No. 873 of October 13, 1993, and Executive Order No. 12872 (58 *Fed. Reg.* 54029, October 20, 1993), the Regulations were amended effective 11:59 p.m. e.d.t., October 18, 1993 (58 *Fed. Reg.* 54024), to reimpose sanctions against Haiti. A copy of the Executive order and of the amendment are attached to this report. The amendment removes section 580.518, discussed above.

11. In implementing the Haitian sanctions program, FAC has made extensive use of its authority to specifically license transactions with respect to Haiti in an effort to mitigate the effects of the sanctions on the legitimate Government of Haiti and on the livelihood of Haitian workers employed by Haiti's export assembly sector, and to ensure the availability of necessary medicines and medical supplies and the uninterrupted flow of humanitarian donations to Haiti's poor. For example, specific licenses were issued (1) permitting expenditures from blocked assets for the operations of the legitimate Government of Haiti; (2) permitting U.S. firms with pre-embargo relationships with product assembly operations in Haiti to resume those relationships in order to continue employment for their workers or, if they choose to withdraw from Haiti, to return to the United States assembly equipment, machinery, and parts and materials previously exported to Haiti; (3) permitting U.S.

companies operating in Haiti to establish, under specified circumstances, interest-bearing blocked reserve accounts in commercial or investment banking institutions in the United States for deposit of amounts owed the *de facto* regime; (4) permitting the continued material support of U.S. and international religious, charitable, public health, and other humanitarian organizations and projects operating in Haiti; (5) authorizing commercial sales of agricultural inputs such as fertilizer and foodcrop seeds; and (6) in order to combat deforestation, permitting the importation of agricultural products grown on trees.

12. During this reporting period, U.S.-led OAS initiatives resulted in even greater intensification and coordination of enforcement activities. The U.S. Coast Guard, whose cutters had been patrolling just beyond Haiti's territorial waters, significantly increased vessel boardings, identification of suspected embargo violators, and referrals for investigation. Continued close coordination with the U.S. Customs Service in Miami sharply reduced the number of attempted exports of unmanifested, unauthorized merchandise.

Since the last report, 16 penalties, totaling approximately \$65,000, have been collected from U.S. businesses and individuals for violations of the Regulations. Seven violations involved unlicensed import- and export-related activity. As of September 21, 1993, payments of penalties assessed against the masters of vessels for unauthorized trade transactions or violations of entry restrictions totalled approximately \$45,000. Total collections for the fiscal year have exceeded \$210,000.

13. The expenses incurred by the Federal Government in the 6-month period from April 4, 1993, through October 3, 1993, that are di-

rectly attributable to the authorities conferred by the declaration of a national emergency with respect to Haiti are estimated at approximately \$3.1 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, and the Office of the General Counsel), the Department of State, the U.S. Coast Guard, and the Department of Commerce.

I am committed to the restoration of democracy in Haiti and determined to see that Haiti and the Haitian people resume their rightful place in our hemispheric community of democracies. Active U.S. support for U.N./OAS efforts to resolve the Haitian crisis has led to the reimposition of sweeping economic sanctions. I call on all of Haiti's leaders to recall the solemn undertakings in the Governors Island Agreement and to adhere to those pledges, so that the sanctions can be lifted and the process of rebuilding their beleaguered country can begin. The United States will continue to play a leadership role in the international community's program of support and assistance for democracy in Haiti.

I will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. This letter was released by the Office of the Press Secretary on November 15.

Remarks on NAFTA to Small Business Leaders

November 15, 1993

The President. Thank you very much. When Manny and Rick were talking I leaned over to Bill Daley, and I said, "You know, these guys are really good. We need to put them on the stump."

I want to thank you all for being here today. And before I make any more remarks, there

are a couple of people I would like to introduce who have not yet been introduced. First of all, I think all of America has seen that our administration has pursued the ratification of this agreement in the Congress on a strictly bipartisan basis on the theory that it was in the best interest of America and the American economy and